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WILLOW CREEK COMMUNITY ASSOCIATION, INC.

Policy Resolution #2  
Miscellaneous Charges and Collection Policy

**Dated:** April 9, 2007  
**Adopted:** April 19, 2007  
**Effective:** June 1, 2007

WHEREAS, the Board of Directors is required to pursue collection of assessments and other charges from Owners; and

WHEREAS, the Board of Directors of the Association desires to adopt a uniform, non-discriminating and systematic procedure to collect assessments and other charges of the Association, and

WHEREAS, this resolution shall remain in full force and effect until revised or rescinded by a Majority of the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED that the Association does hereby adopt the following:

1. **Late Charges:** The Association may impose a late charge of \$25.00 or 10% of the unpaid balance whichever is greater, as a "common expense", on the outstanding or past due balance, on the first day of delinquency. The first day of delinquency is defined as occurring on the 31<sup>st</sup> day past the due date listed on the invoice to home owner.
2. **Interest/Finance Charge:** The Association may impose interest of eighteen percent (18%) per annum on the entire unpaid balance beginning on the first day of delinquency. The first day of delinquency is defined as occurring on the 31<sup>st</sup> day past the due date listed on the invoice to home owner.
3. **Returned Check Charge:** The Association may impose a fee of thirty-five dollars (\$35.00) in the event any check or other instrument is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. Such fee shall be subject to the terms of this Resolution.
4. **Attorney's Fees on Delinquent Accounts:** As an additional expense permitted under the Declaration, By-laws and statutes, the Association shall be entitled to recover its reasonable attorney's fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner. Such expenses shall be subject to the terms of this resolution.
5. **Application of Payments Made to the Association:** Payments received from an Owner may be credited in the following order:
  - A. any assessment or other charge for a Unit, including, but not limited to, general assessments, neighborhood assessments, sewer utility, non-compliance sanctions and other specific assessments, and special assessments, beginning with the oldest invoice

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- B. legal fees, court costs and other costs of collection
- C. all late charges and interest accrued, as applicable

6. **Liens:** The Association may file a Notice of Lien against the Unit of any delinquent Owner in accordance with the terms and provisions of the Declaration, Articles of Incorporation, and Bylaws. A copy of the Notice of Lien shall be mailed to the Owner.
7. **Referral of Delinquent Accounts to Attorneys:** The Association may, but shall not be required to, refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred.
8. **Referral of Delinquent Accounts to Collection Agencies:** The Association may, but shall not be required to, refer delinquent accounts to one or more collection agencies for collection. Upon referral to a collection agency, the agency shall take all appropriate action to collect the accounts referred.
9. **Waiver:** The Board of Directors may grant a waiver of any provision herein upon petition in writing by an Owner showing a personal hardship. Such relief granted an Owner shall be appropriately documented in the Associations records including the conditions of the relief. In addition, the Board is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Board shall determine appropriate under the circumstances.
10. **Use of Certified Mail/Regular Mail:** In the event the Association shall communicate with the delinquent Owner by regular mail in accordance with Article 6.5 of the By-Laws, the Association may also send, but shall not be required to send, an additional copy such communication by certified mail and charge the expense to the Owner. Such expense shall be subject to the terms of this resolution
11. **Ongoing Evaluation:** The Association has the option and right to evaluate each delinquency on a case-by-case basis.

End of resolution.